GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:695
ANSWERED ON:13.05.2005
HIGH COST POWER GENERATION
Reddy Shri Karunakara G.

Will the Minister of POWER be pleased to state:

(a) the details of the kind of fuel used in power generation in the country at present;

(b) the estimated average cost of power generation during 2004-05 in respect of various projects in the country as a result of using each kind of fuel;

(c) whether the Union Government have explored the possibilities of lowering the cost of power generation in the country; and

(d) if so, the details of the same?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 695 TO BE ANSWERED IN THE LOK SABHA ON 13.05.2005 REGARDING HIGH COST POWER GENERATION.

(a) & (b) : Coal, Lignite, Natural gas, Liquefied Natural gas and liquid fuels (Low Sulphur Heavy Stock/Hot Heavy Stock, Naphtha/Light Diesel Oil/High Speed Diesel etc.) are different types of fuels used in the country for power generation. The cost of generation of power varies from station to station depending upon the capital cost, technology used, fuel, size of plant, location etc. Central Electricity Regulatory Commission (CERC) determines the tariffs for central power generating stations. Based on the information received from CERC and National Thermal Power Corporation (NTPC), costs of energy to power utilities/tariff for different kinds of fuels in respect of North Eastern Electric Power Corporation (NEEPCO) and Neyveli Lignite Corporation (NLC) for 2004- 05 are given in Annexure-I and in respect of NTPC power stations for 2003-04 are given in Annexure-II. The cost of energy supplied by NTPC to various utilities for 2004-05 are yet to be audited.

(c) & (d) : The following measures have been taken with the objective of lowering the cost of power generation in the country:-

(i) The Electricity Act, 2003 provides an enabling framework for accelerated and more efficient development of the power sector. It creates a competitive framework for generation which should exert a downward pressure on costs.

(ii) Exemption in Customs Duties for setting up of mega power plants.

(iii) Exemption on Central Excise Duty/Counter Vailing Duty (CVD) on Naphtha used as fuel for generation in respect of 12 power projects. Exemption on Central Excise Duty/CVD on Low Sulphur Heavy Stock and other specified liquid fuels used for power generation.

(iv) Reduction of custom duty on coal to 5%.

(v) Providing interest subsidy on loans by the Power Finance Corporation for renovation and modernization and life extension of old and inefficient generating units.

(vi) Ensuring timely completion of projects to check/restrict time and cost over-run.

ANNEXURE-I

ANNEXURE REFERRED TO IN PARTS (a) & (b) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 695 TO BE ANSWERED IN THE LOK SABHA ON 13.05.2005 REGARDING HIGH COST POWER GENERATION.

SL. No.	Name of the Station	Total Tariff Paise/kWh
	Gas based stations	
	North-Eastern Electric Power Corporation Ltd. (NEEPC0)	
1	NEEPCO Assam GPS	222
2	NEEPCO Agartala GPS	178
	Lignite based stations	
	Neyveli Lignite Corporation (NLC)	
1	NLC Thermal Power Station-I#	182
2	NLC Thermal Power Station-II stage-1	122
3	NLC Thermal Power Station-II stage-2	176
4	NLC Thermal Power Station-I Expansion	236

Single part Tariff including energy charge.

ANNEXURE-II

ANNEXURE REFERRED TO IN PARTS (a) & (b) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 695 TO BE ANSWERED IN THE LOK SABHA ON 13.05.2005 REGARDING HIGH COST POWER GENERATION.

NTPC station-wise cost of energy to SEBs - 2003-04

NAME OF STATIONS	Cost of energy to SEBs (Rs / KWh)
COAL	
SINGRAULI	0.98
RIHAND	1.24
NCTPP DADRI	2.13
UNCHAHAR	1.71
TANDA	1.99
KORBA	0.76
VINDHYACHAL	1.19
RAMAGUNDAM	1.20
SIMADHRI	1.40

FARAKKA	1.63
KAHALGAON	1.79
TALCHER (KANIHA)	1.17
TALCHER TPS	1.06

GAS

ANTA	1.72
AURAIYA	1.95
DADRI GAS	2.15
KAWAS	3.38
GANDHAR	2.61
FARIDABAD	1.78

NAPHTHA

KAYAMKULAM	3.64

NTPC AVERAGE	1.47